MILLIONS OF VIEWERS ACROSS THE UNITED STATES COULD BE DEPRIVED OF LOCAL NEWS, SPORTS AND ENTERTAINMENT PROGRAMMING IF AT&T/DIRECTV DO NOT REACH DEAL WITH SINCLAIR BROADCAST GROUP

Sinclair had provided AT&T with a five-week extension in an attempt to avoid disruption for consumers. However, beginning September 27th, AT&T customers could miss thousands of hours of content, including NFL games starting in Week 4, post-season Major League Baseball, and the start of the NHL and NBA seasons on broadcast television.

Baltimore, Maryland (September 20, 2019) – Millions of AT&T U-verse, DIRECTV and AT&T TV NOW (formerly DIRECTV NOW) subscribers in 86 markets are at risk of losing access to 136 television stations (including popular ABC, NBC, CBS, FOX, CW And MyNet-affiliates) and Tennis Channel, due to AT&T’s unwillingness to negotiate fair market carriage licenses with Sinclair Broadcast Group, Inc. (Nasdaq: SBGI).

While the previous carriage agreement between AT&T and Sinclair was set to expire in August, Sinclair provided a five-week extension in an attempt to avoid harm to consumers. The current extension remains in effect through September 27th at 5:00 pm EDT and recent actions taken by AT&T during carriage negotiations with other broadcasters should significantly concern the millions of subscribers of AT&T and DIRECTV who watch these stations. For these audiences, it is crucial they make their voices heard and demand AT&T work with Sinclair to ensure they do not lose access to the stations they rely on for local news, sports and entertainment.

“AT&T is the largest MVPD in the country and seems intent on using its tremendous market power to dictate to viewers which programming from other content providers they can receive, even as they continue to acquire content providers and push their own content to viewers,” stated David Gibber, Sinclair’s Senior Vice President and General Counsel. “Despite the tremendous market power of AT&T, most consumers of AT&T and DirecTV do have some other alternatives to receive our in-demand programming. Although it would be unfortunate to lose AT&T and DirecTV as customers, we are simply not prepared to sell our programming to them at the below market rates they are demanding due to their overwhelming market power.”

AT&T has harmed consumers using blackouts as a negotiating ploy during several recent negotiations with stations owned by other broadcasters. Despite Sinclair continuing to negotiate diligently and in good faith and previously providing AT&T with a five-week extension, AT&T seems committed to using this approach again and there is little optimism that a deal can be reached by September 27th. AT&T has dropped more than 150 stations in more than 120 markets over the past 120 days, including stations owned by CBS Corporation, Nexstar Media Group, Northwest Broadcasting and several other station owners.
Having acquired both Time Warner Inc. and DIRECTV within the last several years, AT&T seems intent on using its $250 billion market cap to bully the broadcast industry and other content providers. Ninety-nine percent of retransmission consent deals are completed without interruption.¹ During 2019, however, nearly three out of every four stations that have experienced a retransmission consent disruption have involved disputes with AT&T. ² Now, they are attempting to use the same failed negotiating tactics with Sinclair. If a deal is not reached, millions of AT&T U-verse, DIRECTV and AT&T TV NOW (formerly DIRECTV NOW) subscribers will face the proposition of being without local news, the Fall launch of the most popular primetime series, and major sporting and cultural events, including NFL football, post-season baseball, and the start of the NBA and NHL seasons.

Furthermore, if AT&T does not reach agreement with Sinclair, almost 25% of AT&T’s total subscribers, living in 50 markets across the country, will have suffered AT&T blackouts of at least two of the four major broadcast networks in the past two months. This concentrated loss of service is a tremendous disservice to their customers, who are paying AT&T for the right to view these stations.

Sinclair has and will continue to negotiate in good faith with AT&T to try and avoid stations being dropped, but AT&T’s pattern of insistence on terms that greatly undervalue the content of local broadcasters will deplete the availability of diversity of content, including local content, for viewers. Sinclair, by comparison, routinely renews carriage agreements with major MVPDs throughout the country, and has offered AT&T assurances that it would not pay more for our stations than other pay TV providers. The AT&T deal expiring September 27th is a five-week extension of a deal that has been in place since early 2016. It is not reflective of today’s fair market value – value to which other distributors have agreed.

“Sinclair employs more than 9,000 people in local markets throughout the country,” Gibber continued, “and our news and investigative teams produce 2,500 hours of local news each week in more than 80 markets across the country. Our reporting teams have been honored numerous times with industry awards for excellence. We are proud of the work our employees do each day in service of our communities, and we will continue to be there for our local communities. Sinclair also spends more than a billion dollars annually to provide network and other content to our local viewers. We continue to act in good faith and hope that AT&T will agree to fair terms soon, for the benefit of all, most importantly our viewers.”

For AT&T U-verse, DIRECTV and AT&T TV NOW subscribers, it is crucial that they voice their concerns to AT&T. Those worried about the potential for this blackout should contact AT&T/DIRECTV using 833-NO-TO-ATT (833-668-6288). Tell them to get a deal done with Sinclair or you will switch to a TV provider who has. Audiences are also encouraged to use social media to make their voices heard, by tweeting @ATTHelp, @DIRECTV, and @ItsOnATT. For more information, visit KeepMyContent.com

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² Source: NAB.

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**About Sinclair Broadcast Group, Inc.**

Sinclair is a diversified media company and leading provider of local sports and news. The Company owns and/or operates 23 regional sports network brands; owns, operates and/or provides services to
191 television stations in 89 markets; is a leading local news provider in the country; owns multiple national networks; and has TV stations affiliated with all the major broadcast networks. Sinclair’s content is delivered via multiple-platforms, including over-the-air, multi-channel video program distributors, and digital platforms. The Company regularly uses its website as a key source of Company information which can be accessed at www.sbgienterprises.com.

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